

**DEPARTMENT OF STATE REVENUE
LETTER OF FINDINGS NUMBER: 02-0046
International Fuel Tax Agreement (IFTA)
For The Tax Periods of 1998, 1999, AND 2000**

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ISSUES

I. IFTA – Sufficiency of documentation

Authority: IFTA, R1010, IFTA, R1210, IFTA, P510, IFTA P520.100, IFTA, P530.100, IFTA, P650.100, IFTA A550.200.

The Taxpayer protests the IFTA audit assessment resulting from Taxpayer's missing fuel tickets.

FACTS

Taxpayer was assessed tax as a result of an IFTA audit covering the periods of 1998 through 2000. The assessments resulted after the auditor determined that Taxpayer did not maintain fuel tickets to verify fuel purchased. More facts provided as necessary.

DISCUSSION

The department, representing a member jurisdiction of IFTA, requested taxpayer records pursuant to IFTA, P510:

The licensee is required to preserve the records upon which the quarterly tax return is based for four years from the return due date or filing date, whichever is later, plus any time period included as a result of waivers or jeopardy assessments

IFTA P520.100 states: "Records shall be made available upon request by any member jurisdiction and shall be available for audit during normal business hours." Also, pursuant to IFTA, P530.100:

Failure to maintain records upon which the licensee's true liability may be determined or to make records available upon proper request may result in an assessment as stated in IFTA Articles of Agreement Section R1200.

In the event the licensee fails to make records available or fails to maintain records from which the true liability may be determined, the base jurisdiction may determine the tax liability of the licensee on the basis of the best information available to it. IFTA, R1210.

Here, Taxpayer states that many of the fuel tickets were inadvertently thrown away. “The retail purchase of fuel which is placed into the fuel tank of a qualified motor vehicle, and upon which tax has been paid to a jurisdiction, shall qualify as a tax-paid retail fuel purchase.” IFTA, R1010.100. However, IFTA, P650.100 states:

[r]etail purchases must be supported by a receipt or invoice, credit card receipt, automated vendor generated invoice or transaction listing, or microfilm/microfiche of the receipt or invoice. Receipts that have been altered or indicate erasures are not accepted for tax-paid credits unless the licensee can demonstrate the receipt is valid.

Also, IFTA A550.200 states: “[w]hen tax paid fuel documentation is unavailable, all claims for tax paid fuel will be disallowed”.

Taxpayer requests that a “complete quarter” with regards to his records be used for each of the years audited and projected to the remaining quarters. However, IFTA, P650.100 and IFTA A550.200 clearly limits credits to situations where tax paid fuel documentation is provided.

FINDING

The Taxpayer’s protest is respectfully denied.